

Benchmarking

“The Benchmarking Code of Conduct”

Keep It Legal
Be Willing To Give What You Get
Respect Confidentiality
Keep Information Internal
Use Benchmarking Contacts
Don’t Refer Without Permission
Be Prepared From the Start
Understand Expectations
Act In Accord with Expectations
Be Honest
Follow Through with Commitments

The following sources were used to compile this information

The International Benchmarking Clearinghouse: A Service of The American Productivity and Quality Center
“A Guide To Benchmarking” prepared by The National Security Agency for Training Purposes
The Inter-Agency Benchmarking & Best Practices Council

¹**BENCHMARKING IS:**

Benchmarking is a process of identifying, understanding, and adapting outstanding practices to help organizations improve their performance.

“ Benchmarking: the practice of being humble enough to admit that someone else is better at something and being wise enough to try to learn how to match and even surpass them at it”, Quality Digest, July, 1992

PURPOSE: To improve our own performance, be comparing ourselves to others, and adapt what we learn to improving how we perform. Our purpose is to achieve breakthrough improvements that improve cost control, quality, cycle time, and which are important to the organization. Accordingly, benchmarking projects should be *goal driven and tied to strategic and business plans*.

PROVIDES: A methodology for learning. It is a methodical process involving careful research and an understanding of our own processes, products and services. It is important to realize that before we can learn how others do something, we must know how we do it ourselves so that we can identify what they do differently.

GUIDELINES:

a.) Benchmarking is *reciprocal*, the *exchange of information* is expected and will provide some benefit to the organization being benchmarked. This benefit can vary. We can share the results of our study; we can share one of our own best practices; or we utilize our status as a customer. However in one way or the other we reciprocate. b.) **Plan** the Study; **Establish scope**, measures, and definitions; **Conduct extensive research** for careful selection of partners. c.) Follow the **Benchmarking Code of Conduct**: established guidelines in the benchmarking community that establish the groundrules to follow when asking for, exchanging, or providing information. Simply put, this is how partners expect you to behave. *You will be judged on how well you adhere to these guidelines.* D.) Benchmarking is a *continuous effort*. Industry practices continually change. Practices must be continually monitored to make sure the best are discovered. There is no room for complacency! Benchmarking is not done just one time, but is an ongoing process within an organization.

DESIRED RESULT: Change!!! Seeing a need for change, discovering what to change, learning how to change it, and developing a vision of the future state. To change we must be willing to change and adapt, share information with others, be open to ideas from the outside, and focus “how to change”.

BENCHMARKING IS NOT:

Something we do quickly to meet a short suspense.

It takes time to document our own process, determine what we want to know, discover who is best at the process and develop a relationship with partners. We cannot demand a partner respond quickly to meet our deadline. Establishing a partnership requires a long-term view and patience. Our visits involve a great deal of work on the part of the organization which is visited.

Always visiting a partner

The information we need may be able to attain through open literature. Also, we may be able to get the information through phone interviews, teleconferences, and video conferences. There are many ways other than personal visits. Personal visits should be our last resort.

Reinventing the wheel

Benchmarking has been defined as stealing shamelessly. By doing so we avoid reinventing a wheel someone else has made more efficiently and effectively.

Spending endless time searching for the absolute “best”

Although we must carefully search for the “best”, at some point we must act upon the information we have obtained.

Examining the meaning of life

If the topic or process to be benchmarked is too large, we fail to achieve meaningful results.

Going only outside our organization

We also need to look inside our organization to see if we have a best practice internally.

Are You Ready For Some Benchmarking???

An organization’s benchmarking coordinator should ask these questions to assess a team’s readiness for benchmarking.

- How does your team define benchmarking?
- How do you leaders define benchmarking?

- Is there a common understanding between your team and your leaders on the definition of benchmarking?
- What benchmarking process does your team intend to follow?
- Does the proposed study tie-in to your organization's strategic plan?
- Does the proposed study tie-in to an organizational compelling need for change?
- Is your leadership committed to both the Benchmarking process and also to implanting change?
- Will your team be able to obtain the resources you need—time, personnel, equipment and funds?
- If your team is benchmarking a process, will the process owner be involved?
- If you are benchmarking a process, is the process clearly defined?
- If you are benchmarking a process, do you have measures for the process?

OVERVIEW OF THE BENCHMARKING PROCESS

Although the suggested benchmarking process has eleven steps, these steps fall within four phases: Plan, Collect, Analyze, and Adapt. In the chart below, the individual steps are given within these four phases.

Plan	<ol style="list-style-type: none"> 1. Build leadership commitment. 2. Commission the benchmarking team and plan the study.
Collect	<ol style="list-style-type: none"> 3. Identify critical performance measures. 4. Identify comparative processes. 5. Measure your own performance. 6. Determine data collection method(s) and collect data.
Analyze	<ol style="list-style-type: none"> 7. Analyze and compare data to determine gaps.
Adapt	<ol style="list-style-type: none"> 8. Communicate. 9. Develop operational and implementation plans. 10. Implement plans and monitor progress. 11. Review Competitive position